

Water and Sewer Operating Fund
For the period ended June 30, 2003
(amounts expressed in thousands)

		FY2003				
	FY2002 CAFR	Adopted Budget	Current Budget	YTD	Controller's Projection	F&A Projection
Operating Revenues						
Water Sales	\$ 271,098	\$ 272,886	\$ 272,886	\$ 267,514	\$ 267,514	\$ 267,514
Sewer Sales	265,091	270,704	270,704	264,104	264,104	264,104
Penalties	4,214	3,741	3,741	4,036	4,036	4,036
Other	2,993	2,766	2,766	3,975	3,975	3,975
Total Operating Revenues	<u>543,396</u>	<u>550,097</u>	<u>550,097</u>	<u>539,629</u>	<u>539,629</u>	<u>539,629</u>
Operating Expenses						
Personnel	101,697	107,673	110,294	107,129	107,129	107,129
Supplies	19,620	22,792	25,670	24,319	24,319	24,319
Sale of Inventory (Intrafund)	0	0	0	0	0	0
Service Contracts & Utilities	122,363	125,143	125,143	109,169	109,169	109,169
Uncollectibles	0	1,000	1,000	0	0	0
Total Operating Expenses	<u>243,680</u>	<u>256,608</u>	<u>262,107</u>	<u>240,617</u>	<u>240,617</u>	<u>240,617</u>
Operating Income (Loss)	<u>299,716</u>	<u>293,489</u>	<u>287,990</u>	<u>299,012</u>	<u>299,012</u>	<u>299,012</u>
Nonoperating Revenues (Expenses)						
Interest Income	29,118	23,000	23,000	19,297	19,297	19,297
Sale of Property, Mains and Scrap	1,428	1,477	1,477	1,294	1,294	1,294
Other	10,341	7,898	7,916	8,611	8,611	8,611
CWA & TRA Contracts (P & I)	(31,278)	(32,189)	(31,952)	(30,934)	(30,934)	(30,934)
Total Nonoperating Rev (Exp)	<u>9,609</u>	<u>186</u>	<u>441</u>	<u>(1,732)</u>	<u>(1,732)</u>	<u>(1,732)</u>
Income (Loss) Before Operating Transfers	<u>309,325</u>	<u>293,675</u>	<u>288,431</u>	<u>297,280</u>	<u>297,280</u>	<u>297,280</u>
Operating Transfers						
Debt Service Principal	58,376	48,262	50,335	50,335	50,335	50,335
Debt Service Interest	149,040	179,595	157,522	155,344	155,344	155,344
Discretionary Debt	36,479	35,947	23,847	23,811	23,811	23,811
Equipment Acquisition	13,021	15,976	14,951	14,976	14,976	14,976
Renewal and Replacement*	0	2,433	0	0	17,352	17,352
Accumulated Unexpended (ALP)	30,330	0	0	10,000	10,000	10,000
Transfer for Street and Drainage	21,597	11,462	35,462	25,462	25,462	25,462
Total Operating Transfers	<u>308,843</u>	<u>293,675</u>	<u>282,117</u>	<u>279,928</u>	<u>297,280</u>	<u>297,280</u>
Net Current Activity						
Operating Fund Only	\$ <u>482</u>	\$ <u>0</u>	\$ <u>6,314</u>	\$ <u>17,352</u>	\$ <u>0</u>	\$ <u>0</u>

*Please refer to Page 31 for the current status of the Renewal and Replacement Fund No. 751.

About the Fund:

Public Utilities - Water and Sewer is an enterprise fund which accounts for operation of the City's water and wastewater facilities. The fund provides for the operation of the City's treated and untreated water, as well as, receive and process wastewater generated in a service area that includes the City, certain municipalities and unincorporated communities in the Houston metropolitan area. Some of the City's largest customers are other cities and water authorities which supply water to their own customers.